

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6884

BILL NUMBER: HB 1120

DATE PREPARED: Dec 26, 2001

BILL AMENDED:

SUBJECT: Brownfields in Solid Waste Management Districts.

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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill establishes brownfield remediation powers of a solid waste management district and elements that may be included in a district plan.

Effective Date: July 1, 2002.

Explanation of State Expenditures: The state pays 20% property tax replacement credit (PTRC) on property tax levies of solid waste management districts. Currently, the state pays about \$2.5 M in PTRC for solid waste management districts. If as a result of the proposal, counties seek to increase property tax levies to fund additional brownfield remediation, state PTRC could increase. The specific impact would depend on local action. Levies would be limited by a maximum permissible levy and by a maximum tax rate of \$0.25 per \$100 of assessed valuation. If units do not increase their levies to fund brownfield remediation, there would be no impact to the state.

Explanation of State Revenues:

Explanation of Local Expenditures: This bill allows solid waste management districts to remediate brownfields. Currently there are 51 single county solid waste management districts in the state, and ten multi-county districts. Districts with property tax levies received \$12 M in property tax revenue and \$29 M in miscellaneous revenue. With respect to property taxes, districts are limited by a maximum tax rate of \$0.25 per \$100 of assessed valuation and a maximum permissible levy. Adding brownfield remediation could result in either an increase in funding from current sources or a re-arrangement of how current revenues are used. Districts can be funded through state and/or federal grants, user fees, property tax levies, and other miscellaneous revenues. The specific impact of the proposal will depend on local action.

Explanation of Local Revenues: See *Explanation of Local Expenditures* above.

State Agencies Affected:

Local Agencies Affected: Solid Waste Management Districts.

Information Sources: Local Government Database.